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UNCLAS SECTION 01 OF 02 LILONGWE 000866

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DEPT FOR AF/S ELIZABETH PELLETREAU
DEPT PLEASE PASS TO USTR FOR F LIZER
MCC FOR MALIK CHAKA

E.O. 12958: N/A

TAGS: PGOV ECON KMCA MI

SUBJECT: MALAWI - MCC'S TRANSPARENCY INTERNATIONAL ACTIVITY PROVES
TIMELY

LILONGWE 00000866 001.2 OF 002

¶11. (SBU) SUMMARY: President Mutharika and other government leaders expressed public disappointment and frustration with the 2007 Transparency International (TI) corruption perception ratings for Malawi. Mutharika's main criticism was that TI had no local representation and was dealing with old information. A timely activity of the Millennium Challenge Corporation (MCC) threshold country program supported a consultative process and stake-holders conference Nov. 13-14 regarding the possible formation of a new Transparency International (TI) chapter. Far from a knee-jerk reaction, the conference was the culmination of a year-long effort to restart a local chapter to ensure that local voices are heard in future ratings exercises conducted by TI. A task force is currently reflecting on the results of the stake-holders conference and will present recommendations regarding the formation of a TI/Malawi chapter in January 2008. The Ambassador secured the support of President Mutharika and other senior GOM officials for this initiative. End summary.

TI Gets the President's Attention

¶12. (U) Malawi's 2007 Transparency International (TI) "Corruption Perception Survey" raw score remained un-changed from last year, but Malawi's numeric ranking vis-`-vis other countries included in this year's index slipped. Goaded by slanted reporting in the local press, numerous government officials, including President Mutharika, suggested that this was due in part to TI using outdated data and including more countries in this year's index. Shortly after the score was released, the President stated that he wanted to invite the president of TI to the country to evaluate for himself the progress the country is making in combating corruption. As this occurred in the month immediately prior to the long-planned MCC-sponsored public TI events, mission leadership consulted closely with MCC's partner Casals and Associates to create an environment in which the government and the press would be receptive and positive about TI. The Ambassador met with the President, Finance Minister Gondwe, Economic Planning and Development Minister Kalebe, and Foreign Minister Banda in early November to brief them on USG-supported efforts to re-establish a TI chapter in Malawi and to request that they support it. All of them, but most importantly President Mutharika, welcomed this important U.S. support for TI.

The Once and Future TI Chapter

¶13. (U) TI previously had a chapter in Malawi but it was de-accredited by the Berlin TI Secretariat in March 2006 due to

financial troubles, and was officially disbanded by the board in May 2007. In November 2006, a Malawi delegation participated in an International Anti-corruption Conference held in Guatemala with MCC support and returned with an interest in resurrecting TI in Malawi. The group subsequently worked with MCC implementing partner Casals and Associates (C&A) to determine the steps necessary to re-start a TI/Malawi chapter. C&A, the TI Secretariat in Berlin, civil society representatives engaged in anti-corruption initiatives in Malawi, and the National Implementation Steering Committee (the committee charged with developing Malawi's national anti-corruption strategy), agreed on a two-phased approach that included consultations with stakeholders and a follow up conference as the first steps to re-establishing the chapter.

¶4. (U) With TI releasing its survey at the end of September and the consequent reaction of the government throughout October, the plan to hold the TI stakeholder consultations and conference in early November proved extremely timely. TI representatives from its Secretariat in Berlin and its Kenya chapter convened a conference in

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Lilongwe on November 13-14. Nearly 100 participants from civil society, media, private sector, and government attended the first day of the conference and engaged in frank and thoughtful dialogue. The second day was attended by civil society representatives. The groups determined that given the number of civil society organizations already working on governance and anti-corruption, any TI/Malawi chapter should complement, and not compete, with their work. A task force was formed to undertake additional consultations with stakeholders and come up with recommendations for the appropriate form and structure of a future TI/Malawi chapter. Their recommendations will be presented to civil society stakeholders in January 2008.

¶5. (SBU) Comment: The conference succeeded not only as a gauge of the feasibility of reinstating the Malawi TI chapter, but also as an opportunity for the government to present to TI representatives the strides it has made in fighting corruption. By reinventing the local TI chapter through a careful consultative process, MCC is helping to create a lasting TI presence that can accurately portray

LILONGWE 00000866 002.2 OF 002

the corruption situation in Malawi and help to hold the government accountable - a concept with which the Government of Malawi concurs.

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